

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY'S)	
REQUEST FOR A DEVIATION FOR)	CASE NO.
BALLARDSVILLE GAS TRANSMISSION PIPELINE)	2004-00006

O R D E R

The Louisville Gas and Electric Company ("LG&E") filed a letter January 5, 2004 petitioning the Commission for a finding pursuant to 49 CFR Part 190.9 and 49 CFR 192.150(a) that the design and construction to accommodate the passage of instrumental internal inspection devices was impracticable for approximately 352 feet of a 12-inch diameter high pressure gas transmission pipeline known as the Ballardsville Gas Transmission Pipeline ("Ballardsville Pipeline"). Federal pipeline safety regulation 49 CFR Part 192.150(a) requires that the replacement of any pipeline component be designed to accommodate the passage of instrumented internal inspection devices. Pursuant to the provisions of 49 U.S.C.A. § 60118, the state authority, acting under an agreement with the U.S. Secretary of Transportation, may waive compliance with a safety standard.

On May 11, 2004, the Commission issued an Order finding that LG&E's petition for a deviation from the requirements of 49 CFR Part 150(a) should be granted. The Order was sent to the United States Department of Transportation Office of Pipeline Safety ("DOT") as a recommendation pursuant to 49 CFR Part 190.9(d) on May 12, 2004. On June 18, 2004, the Commission received a letter from the DOT objecting to

LG&E's petition and recommending that the Commission allow LG&E reasonable time to comply with the requirements of 49 CFR Part 150(a). On July 12, 2004, the Commission issued an Order reopening this case pursuant to the DOT letter.

An informal conference was held on August 3, 2004 to discuss the DOT's denial of LG&E's request for approval of its pipeline repair and the DOT recommendation that the Commission allow LG&E a reasonable time to construct the pipeline section to accommodate the passage of internal inspection devices. After discussing the DOT's letter, it was determined that LG&E would file a proposed construction schedule and estimate of construction costs necessary to reconstruct the Ballardsville Pipeline to comply with federal pipeline safety regulations. On September 1, 2004, LG&E filed a letter setting forth its proposed construction schedule and its estimate of construction costs to reconstruct the Ballardsville Pipeline to meet federal pipeline safety regulations.

The Commission, having reviewed the record herein, finds that the May 11, 2004 Order in this case should be vacated and LG&E's petition denied pursuant to DOT's recommendation.

IT IS THEREFORE ORDERED that:

1. The Commission's Order of May 11, 2004 is hereby vacated.
2. LG&E shall construct repairs to its Ballardsville Pipeline in compliance with 49 CFR Part 150(a).
3. LG&E shall complete the necessary construction on the Ballardsville Pipeline on, or before, October 1, 2005.

Done at Frankfort, Kentucky, this 6th day of October, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Executive Director

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